

Message Text

SECRET

PAGE 01 SANA 04202 01 OF 02 261751Z
ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PM-05 INR-10 SSO-00
INRE-00 NSCE-00 TRSE-00 DODE-00 EUR-12 SES-02
SAA-01 MCE-00 EB-08 SIL-01 /067 W
-----121238 261805Z /43
O 261650Z AUG 78 ZFF-4
FM AMEMBASSY SANA
TO SECSTATE WASHDC NIACT IMMEDIATE 5785
AMEMBASSY JIDDA NIACT IMMEDIATE

S E C R E T SECTION 1 OF 2 SANA 4202

E.O. 11652: GDS
TAGS: MASS, YE, SA
SUBJ: MILITARY AID AND ECONOMIC SUPPLEMENTS TO YEMEN

SUMMARY: PARTIAL ALTERNATIVES TO MILITARY AID TO YEMEN MAY EXIST
FOR USG IN FORM OF ECONOMIC AID. THE LATTER, IN ANY CASE,
HAS CRUCIAL ROLE TO PLAY IN DRAWING YAR AND SAUDI ARABIA TO-
GETHER PLUS, IN FUTURE, DIVIDING SOUTH YEMENI LEADERSHIP.
HOWEVER, KEY TO PRESENT DILEMMA IS COMMITMENT ON ARMS.
END SUMMARY.

1. OCCASION OF VISIT AMBASSADOR WEST TO SANA GAVE EMBASSY
SANA OFFICIALS AMPLY CHANCE DISCUSS DILEMMA WE FACE IN MATTER
MILITARY AID TO YEMEN IN CONTEXT OF OVER-ALL NEEDS OF YAR AND
POSSIBLE SAUDI AND US RESPONSES. VIEW OF WASHINGTON AND JIDDA
ON FOLLOWING ARE SOLICITED.

2. WE WERE STRUCK BY DEEP CONCERN OF SAUDI OFFICIALS, AS REPORTED
BY AMBASSADOR WEST, FOR THREAT FROM SOUTH YEMEN. SAUDIS
SEEM TO REGARD OUR RESPONSES ON QUESTIONS OF YEMEN ARMS AS
TEST OF OUR BASIC RELATIONSHIP WITH THEM, NAMELY TO PRESERVE
THEIR SECURITY AGAINST RADICAL ARAB AND SOVIET THREATS.
THEY SEEM TO GIVE MATTER HIGHER PRIORITY THAN ANY OTHER EFFORT
WE ARE NOW DISCUSSING WITH THEM, INCLUDING VALUE OF DOLLAR
SECRET

SECRET

PAGE 02 SANA 04202 01 OF 02 261751Z

AND CAMP DAVID MEETINGS. WE HAVE NOT YET SEEN KHALID LETTER
BUT IT IS CLEAR OUR EFFORTS TO DEFLECT IT WERE NOT RPT NOT
ACCOMMODATED. MOREOVER, THEY SEEM TO THINK THAT,
GIVEN THEIR FLEXIBILITY ON OTHER ISSUES, WE HAVE TO BE FORTH-
COMING ON YEMEN REQUESTS AND THEY BELIEVE -- PERHAPS WITH ASSIST
FROM SIKES AND FLYNT -- THAT CONGRESS WILL BE ACCOMMODATING.

3. AMBASSADOR WEST HAD NO CONTACT HERE WITH YEMENI OFFICIALS ON THIS MATTER, NO OPPORTUNITY PASS ON INTENSITY OF SAUDI FEELING. ONLY OFFICIAL HE MET WAS MINPETROLEUM AND NATURAL RESOURCES AHMED KAID BARAKAT, WHO DISCUSSED OIL AND MINERAL EXPLORATION PLUS POSSIBILITY USG FUNDING FOR FEASIBILITY STUDIES CERTAIN INDUSTRIAL PROJECTS.

4. IN ANOTHER WAY, HOWEVER, QUESTION ON SOUTH YEMENI THREAT TO SAUDI ARABIA WAS RAISED IN IMPLICIT BUT UNMISTAKABLE FORM DURING DINNER 24 AUGUST AT CHARGE'S HOUSE WITH SOVIET CHARGE AXENENOK AND COUNSELOR OF SOVIET EMBASSY (AND KGB CHIEF) KRAVCHENKO. BOTH ARE VERY FLUENT IN ENGLISH, VERY WINNING IN MANNER AND VERY INTELLECTUAL IN UNDERSTANDING ARAB AND WORLD OF POLITICS. BOTH EXHIBITED CONSIDERABLE CONFIDENCE ABOUT THEIR POSITION IN THIS PART OF WORLD IN LONG RUN ALTHOUGH BOTH WERE DISTINCTLY NERVOUS ABOUT POSITION IN YAR IN SHORT RUN. (SOVIETS HAVE HAD TRAVEL RESTRICTIONS PLACED ON THEM WHILE WE CONTINUE TO MOVE ABOUT MOST OF COUNTRY WITHOUT ANY CONSTRAINTS. AMBASSADOR WEST IN FACT DROVE TO IBB AND BACK TO SANA ON FRIDAY 25 AUGUST AFTER ROUTINE NOTIFICATION OF ACTING MIN OF FOREIGN AFFAIRS IBRAHIM AL KIBSI.)

5. SOVIETS EXPRESSED WONDER, AMUSEMENT AND RELIEF THAT US WEAPONS DELIVERIES HAVE BEEN "SO SLOW AND SO SLIM," AND ASKED WEST WHETHER THE SOCIAL PATTERNS IN SAUDI ARABIA WEREN'T SIMILAR TO THOSE IN LIBYA AND SOUTH YEMEN WHERE "REAL REVOLUTIONS
SECRET

SECRET

PAGE 03 SANA 04202 01 OF 02 261751Z

HAVE TAKEN PLACE." THEY SAID SOUTH YEMEN HAD SUCH DISPROPORTINATE ARMED FORCES BECAUSE IT MIGHT HAVE TO DEFEND ITSELF AGAINST ALL ITS NEIGHBORS AT ONCE: OMAN, YEMEN AND SAUDI ARABIA. THE WEAPONS THERE POSED NO RPT NO THREAT TO NEIGHBORS DESPITE WARS OF NATIONAL LIBERATION WHICH HAD RAGED IN OMAN AND NORTH YEMEN JUST THREE YEARS AGO, STOPPING ONLY AS SALEM RUBAYYA ALI USED HIS ONCE GREAT ASCENDANCY TO TURN PDRY FOREIGN POLICY IN OTHER DIRECTIONS. ALTHOUGH SALEM NOW GONE, AND PURGES OF HIS FOLLOWERS WERE "NATURAL AND LOGICAL," NEW LEADERSHIP IN SOUTH WAS "NATIONALIST" AND UNLIKELY TO START TROUBLE. AT SAME TIME SOVIETS PUSHED AND PUSHED TO GET ACROSS THEIR VIEW THAT ANTAGONISM OF YEMEN AND SAUDI ARABIA WAS DEEP-SEATED AND INEVITABLE. IN YEMENI VIEW, THEY SAID, SAUDI AID NOTHING IN RELATION TO "VICIOUS SAUDI INTERVENTION IN YEMEN. THEY DENIED SOUTH KILLED GHASHMI, HINTED IT SALEM AND SAUDIS. WE DISMISSED THIS AND ARGUED THAT MUTUAL INTERESTS OF YEMEN AND SAUDI ARABIA -- IN MANPOWER WHICH GOES NORTH AND MONEY WHICH GOES SOUTH, FOR INSTANCE -- WAS MORE IMPORTANT THAN DIVISIVE ELEMENTS IN YEMENI - SAUDI RELATIONSHIP. UPSHOT OF EVENING WAS THAT IT WAS CLEAR THAT SOVIETS HOPED YEMENS COULD AT SOME POINT AND IN SOME WAY COMBINE AGAINST SAUDIS IN FURTHERANCE OF REVOLUTION. THEY ASKED BLUNTLY IF NORTH AND SOUTH YEMEN COULD

REMAIN SO DIFFERENT WITHOUT CONFLICT.

6. ALL THIS OVER FILET AND SALAD PLUS GOOD BRANDY LATER. CAN'T
IMAGINE WHAT THEY WOULD HAVE SAID OR THREATENED IF WE HADN'T
BEEN SO GRACIOUS.

7. CONVERSATION WITH SOVIETS BRINGS TO MIND THREE QUESTIONS
WHICH POSED IN PARAS 14 OF SANA 3986. STATE
215076 THAT WE ARE NOT "PREPARED OR ABLE" TO MAKE ANY COM-
MITMENTS ON SPECIFIC TYPES OR NUMBERS OF EQUIPMENT MAY BE
RESPONSE. ALTHOUGH MESSAGE GOES ON TO SAY WE NOT PREPARED
OR ABLE "AT THIS TIME," YEMENIS ARE GOING TO READ THAT AS
PRETTY PERMANENT OR AT LEAST NOT SOON ENOUGH TO BE OF ANY
EARTHLY USE TO THEM.

SECRET

SECRET

PAGE 04 SANA 04202 01 OF 02 261751Z

8. QUESTION RISES WHETHER WE SEE MERIT IN AIDING YEMEN BUT
NOT THROUGH MILITARY AID. IF SO, WE MIGHT WANT TO RAISE SEVERAL
IDEAS WHICH GO BEYOND AID PROJECTS AND DEAL WITH SOME CRUCIAL
QUESTIONS OF POLITICS AND ECONOMICS IN YAR AND SOUTH ARABIA
IN GENERAL.

SECRET

NNN

SECRET

PAGE 01 SANA 04202 02 OF 02 261800Z
ACTION NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 PM-05 INR-10 SSO-00
INRE-00 NSCE-00 TRSE-00 DODE-00 EUR-12 SES-02
SAA-01 MCE-00 EB-08 SIL-01 /067 W
-----121254 261804Z /53

O 261650Z AUG 78 ZFF-4
FM AMEMBASSY SANA
TO SECSTATE WASHDC NIACT IMMEDIATE 5786
AMEMBASSY JIDDA NIACT IMMEDIATE

S E C R E T SECTION 2 OF 2 SANA 4202

9. FIRST, YEMENIS HAVE SOME -- DON'T KNOW HOW MUCH -- PROSPECTS
OF DISCOVERING OIL IN EASTERN AREA OF COUNTRY. ACCORDING TO
SOME GEOLOGISTS WHO HAVE TALKED TO US, EDGE OF DESERT IS PER-

MIAN BASIN, AND SATELLITE PHOTOS HAVE SHOWN SALT DOMES. AREA IN QUESTION IS LAWLESS, HOWEVER, WITH FRACTIONAL AND PRIMITIVE TRIBES RUNNING VAST SMUGGLING OPERATION FROM CUSTOMS-FREE SAUDI ARABIA AND GULF INTO YAR. YAR HAS NEVER BEEN WILLING TO CUT DOWN ON SMUGGLING OR LAWLESSNESS BECAUSE ABSENCE OF BORDER AGREEMENT WITH SAUDIS WOULD CREATE HIGHLY SENSITIVE QUESTIONS OF USE OF FORCE IN UNSETTLED AREA. INTERESTING TWIST IS THAT MOST YEMENIS -- AND SAUDIS -- APPARENTLY HAVE PRETTY GOOD IDEA OF WHERE TRADITIONAL BORDER LIES -- WHAT WATERHOLES, TRADE ROUTES, TRIBES AND SO FORTH ARE YEMENI AND WHAT ARE SAUDI. MOREOVER, SAUDIS HAVE PROPOSED BORDER TALKS. THERE IS LITTLE THAT COULD DO MORE TO STRENGTHEN ALI ABDALLAH SALIH -- AND REMOVE DISTRUST OF SAUDIS -- THAN TO PROPOSE ONCE AGAIN BORDER TALKS AND, AT SAME TIME, PROPOSE JOINT SAUDI-YEMENI EXPLORATION RPT EXPLORATION COMPANY. US COMPANY -- EVEN ARAMCO -- COULD PLAY CRUCIAL ROLE, GIVE VERY HELPFUL AMERICAN CHARACTER TO ENTERPRISE.

10. SECOND MAJOR PROJECT WHICH WE MIGHT PROPOSE TO SAUDIS, AND JOIN IN SOME MEASURE TO STRENGTHEN REGIONAL COOPERATION AND TRUST, IS YEMEN DEVELOPMENT BANK. YEMENIS HAVE VAST SUM
SECRET

SECRET

PAGE 02 SANA 04202 02 OF 02 261800Z

IN FOREIGN RESERVES, EARNING VERY BAD INTEREST. IF OTHER STATES MATCHED AMOUNT, YEMENIS MIGHT PUT UP \$200 MILLION TO FORM BANK TO DO FEASIBILITY STUDIES, FINANCE INFRASTRUCTURE, ETC. AMERICAN AND OTHER WESTERN FIRMS COULD LAY SAME ROLE IN GUIDING BANK THAT THEY DO IN SAUDI ARABIAN FINANCIAL INSTITUTIONS AND DEVELOPMENT MINISTRIES. BANK COULD BE OPEN TO SOUTH YEMENI PARTICIPATION, IN HOPES THAT EVENTUALLY NEW SALEM RUBAYYA ALI, NEW MODERATE WING OF NLF, WILL EMERGE TO TAKE UP OFFER AND BALANCE SOVIET PRESENCE AND INFLUENCE IN PDY.

11. THIRD PROJECT WOULD BE LABOR COMMISSION. WE HAVE LARGE VOCATIONAL TRAINING PROJECT IN SAUDI ARABIA WHICH COULD BE VERY EMBARRASSING IF TRAINEES DON'T EMERGE FROM SAUDI RANKS. BY ARRANGEMENT WITH YARG, SAUDIS COULD INCLUDE YEMENIS IN THESE CENTERS, FOLLOWING STEPS ALREADY TAKEN IN LAST FOUR MONTHS TO EXEMPT YEMENIS FROM NEW RESTRICTIONS ON FOREIGN LABOR AND EVEN FROM RESTRICTIONS ON OPERATION OF SHOPS AND SMALL BUSINESSES. EMIGRATION WOULD THEN RETURN NOT JUST MONEY BUT SKILLS TO YEMEN AND BUTTRESS EFFORTS SAUDIS MAKING ELSEWHERE TO FURTHER EDUCATION IN YAR. IT WOULD REGULARIZE STATUS OF YEMENIS ABROAD, GIVE THEM ACCESS TO HIGHER PAYING JOBS, MAKE EMIGRATION MORE PALATABLE TO SANA GOVERNMENT WHICH FACES ITS GREATEST DEVELOPMENT BOTTLENECK IN LACK OF MANPOWER AND LACK OF SKILLS.

12. LABOR COMMISSION, INVESTMENT BANK AND OIL AND MINERAL EXPLORATION ARE AT VERY HEART OF YEMENI DEVELOPMENT CONCERNS. THEY ARE MUCH MORE IMPORTANT THAN PARTICULAR PROJECTS WHICH

SAUDIS (OR WE) ARE INVOLVED IN. PROPOSALS SKETCHED ABOVE COULD BE OUTLINED TO SAUDIS WITH UNDERSTANDING THAT WE WOULD PAY FOR STUDIES TO DEVELOPMENT FORMS OF ORGANIZATION, SCOPE OF WORK, STAFFING, ETC. WE MIGHT BE ABLE TO DO THIS WITH AID MONEY, AND THUS MAKE FINANCIAL CONTRIBUTION WHICH WOULD BE DIFFICULT OR IMPOSSIBLE IN MILITARY GRANT AID.

SECRET

SECRET

PAGE 03 SANA 04202 02 OF 02 261800Z

13. WE MIGHT ALSO BE ABLE TO SELL ARGUMENT HERE THAT REAL DEFENSE AGAINST SOUTH IS NOT HUGE YARV MILITARY ARSENAL BUT VIGOROUS ECONOMY IN NORTH, BOTH BECAUSE IT WOULD BLUNT PDRY APPEAL AND BARE EMPTINESS OF SOCIALIST EXPERIMENTS IN ADEN.

14. HOWEVER, NO ONE IN WASHINGTON SHOULD THINK THAT ECONOMIC EFFORTS ARE ALTERNATIVE RATHER THAN SUPPLEMENT TO MILITARY EFFORT. IN MY OPINION, IN COUNTRY WHICH RUN BY ARMY WHICH MUST FACE MUCH LARGER AND MORE MODERN ARMY OF RADICAL, WE MUST COME UP WITH GUNS AND BOMBS AND PLANES AND ARMOR TO STRENGTHEN DECREPIT ARSENAL OF YAR. DIPLOMACY IS SECURITY. NOTHING ELSE WILL GIVE US CREDIT IN YAR -- OR GIVE PAUSE TO OUR FOES IN PDY -- BUT WEAPONS. HOWEVER, GOOD ECONOMIC INITIATIVES ARE A GOOD WAY TO AVERT EXAGGERATED DEMANDS FOR EQUIPMENT.

15. WE WILL PROVIDE OUR ESTIMATES TOMORROW OF PRESENT STRENGTHS YAR AND PDY FORCES.
RANSOM

SECRET

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, INTELLIGENCE ASSESSMENTS, MILITARY ASSISTANCE PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 26 aug 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978SANA04202
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D780350-0438
Format: TEL
From: SANA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780819/aaaaapzf.tel
Line Count: 256
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 772af25a-c288-dd11-92da-001cc4696bcc
Office: ACTION NEA
Original Classification: SECRET
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 5
Previous Channel Indicators: n/a
Previous Classification: SECRET
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 08 feb 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 1607949
Secure: OPEN
Status: NATIVE
Subject: MILITARY AID AND ECONOMIC SUPPLEMENTS TO YEMEN SUMMARY: PARTIAL ALTERNATIVES TO MILITARY AID TO YEMEN MAY EXIST FOR USG IN FORM OF ECONOMIC AID. THE LATTER, IN AN
TAGS: MASS, EAID, YE, SA, US
To: STATE JIDDA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/772af25a-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014